



# Louisiana Housing Corporation

The following resolution was offered by Board Member Willie Spears and seconded by Vice-Chairman Mayson H. Foster:

## RESOLUTION

**A resolution to authorize and direct the Finance Team of Louisiana Housing Corporation ("Corporation") to implement a homeownership financing and/or refinancing program; and providing for other matters in connection therewith.**

**WHEREAS**, the Corporation's homeownership loan products financed with tax-exempt bonds without any assistance from federal or state program funds ("**Program Funds**") have been at a competitive disadvantage compared to other market homeownership loan products for the duration of the low-interest rate policies currently maintained by the Federal Reserve Board; and

**WHEREAS**, the Finance Team has recommended that the Corporation explore non-bond financed initiatives to finance or to refinance mortgage loans throughout the State by sponsoring mortgage origination through the Corporation's network of lenders (the "**Lenders**") using mortgage interest rates within specified periods in the to-be-announced market (the "**TBA Market**") for the delivery mortgage loans originated during such periods; and

**WHEREAS**, the Corporation desires to manage assets and debts in a manner which provides the best economic benefit to the Corporation and has received recommendations from members of the Corporation's Finance Team.

**NOW, THEREFORE, BE IT RESOLVED** by the Louisiana Housing Corporation Board of Directors, acting as the governing authority of the Corporation, that:

**SECTION 1.** The Corporation's Finance Team is hereby authorized and directed to implement the homeownership financing strategies described in **Exhibit A**

hereto that permits the Corporation to maintain a continuous homeownership financing program in all market interest rate environments or conditions.

**SECTION 2.** The Corporation's staff and Financing Team are authorized and directed to prepare any documents, agreements and take appropriate actions, as may be necessary, to implement the homeownership financing program described in **Exhibit A** hereto.

This resolution having been submitted to a vote, the vote thereon was as follows:

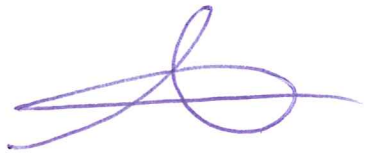
**YEAS:** Michael L. Airhart, Mayson H. Foster, John N. Kennedy, Ellen M. Lee, Matthew P. Ritchie, Willie Spears, Guy T. Williams, Jr., Malcolm Young.

**NAYS:** None

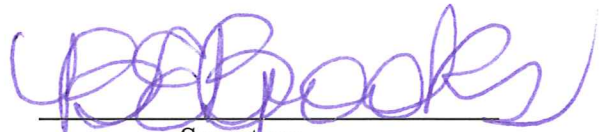
**ABSTAIN:** None

**ABSENT:** Dr. Daryl V. Burckel

And the resolution was declared adopted on this, the 8<sup>th</sup> day of August 2012.



Chairman




Secretary

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation, do hereby certify that the foregoing two (2) pages constitutes a true and correct copy of a resolution adopted by said Board of Directors on August 8, 2012, entitled: "A resolution to authorize and direct the Finance Team of Louisiana Housing Corporation ("**Corporation**") to implement a homeownership financing and/or refinancing program; and providing for other matters in connection therewith."

**IN FAITH WHEREOF**, witness my official signature and the impress of the official seal of the Corporation on this, the 8<sup>th</sup> day of August 2012.

  
Secretary

(SEAL)

## PROPOSED STRATEGY

### **CURRENT PROGRAM 2012A – SCENARIO A**

- 1.) Reduce Assisted rate from 3.99% to 3.49%
- 2.) Introduce Targeted Unassisted Rate (utilizing CDBG funds) for the 11 parishes poorest parishes\* to 1.99% - will also include the residual parishes from OCD Initiative.
- 3.) Reduced General Unassisted Rate from 3.49% to 2.99%
- 4.) Reduce HOME/MRB from 2.95% to 2.45%

Lenders will continue to be compensated at 1.50% for the Assisted and HOME/MRB Program however for the reduced rate at 1.99% the compensation is 1%.

### **Implement a TBA Program (TO BE ANNOUNCED PROGRAM)**

Begin implementation of the Morgan Keegan TBA\*\* and pursuit of George K. Baum Program\*\*\* to be able to run concurrently.

\*See spreadsheet attached on selection of 11 parishes. Note: The request was for 10 parishes however there was a tie with two components therefore the recommendation is to allow 11 parishes to participate.

\*\*See attached description.

\*\*\*See attached description.

## TEN POOREST PARISHES IN LOUISIANA

Below list is in no particular order.

- |   |                      |
|---|----------------------|
| 1. Madison (4 of 4)                             | MFI, PS, PCPI,, PSOF |
| 2. Concordia (4 of 4)                           | MFI, PS, PCPI,, PSOF |
| 3. Franklin(4 of 4)                             | MFI, PS, PCPI,, PSOF |
| 4. Tensas (3 of 4)                              | MFI, PS, PSOF        |
| 5. East Carroll (3 of 4)                        | MFI, PS, PSOF        |
| 6. Morehouse 3 of 4)                            | MFI, PS, PSOF        |
| 7. Washington (3 of 4)                          | MFI, PCPI, PSOF      |
| 8. St. Landry (2 of 4)                          | PS, PSOF             |
| 9. Natchitoches (2 of 4)                        | PS, PSOF             |
| 10. Claiborne (2 of 4)                          | PS, PSOF             |
| 11. Bienville (2 of 4) (included in the top 10) | MFI, PS              |

### Outlying Parishes

- |                            |      |
|----------------------------|------|
| 1. Allen (1 of 4)          | PCPI |
| 2. Grant (1 of 4)          | PCPI |
| 3. West Feliciana (1 of 4) | PCPI |
| 4. Sabine (1 of 4)         | PCPI |
| 5. Evangeline (1 of 4)     | PCPI |
| 6. St. Helena (1 of 4)     | MFI  |
| 7. Avoyelles (1 of 4)      | MFI  |
| 8. West Carroll (1 of 4)   | PCPI |

## TEN POOREST PARISHES IN LOUISIANA

### Median Family Income (MFI) - 5 Year Estimate

1. East Carroll Parish, Louisiana
2. St. Helena Parish, Louisiana
3. Tensas Parish, Louisiana
4. Washington Parish, Louisiana
5. Concordia Parish, Louisiana
6. Avoyelles Parish, Louisiana
7. Madison Parish, Louisiana
8. Franklin Parish, Louisiana
9. Morehouse Parish, Louisiana
10. Bienville Parish, Louisiana

### Poverty Status - (PS) 5 Year Estimate

1. East Carroll Parish, Louisiana
2. Madison Parish, Louisiana
3. Tensas Parish, Louisiana
4. Concordia Parish, Louisiana
5. Franklin Parish, Louisiana
6. Natchitoches Parish, Louisiana
7. St. Landry Parish, Louisiana
8. Morehouse Parish, Louisiana
9. Claiborne Parish, Louisiana
10. Bienville Parish, Louisiana

### Per Capita Personal Income (PCPI) 2010

1. West Carroll, Louisiana
2. Allen, Louisiana
3. Madison, Louisiana
4. Grant, Louisiana
5. West Feliciana, Louisiana
6. Concordia, Louisiana
7. Sabine, Louisiana
8. Washington, Louisiana
9. Franklin, Louisiana
10. Evangeline, Louisiana

### Poverty Status of Families (PSOF) 2010 5 Year Estimate

1. East Carroll Parish, Louisiana
2. Tensas Parish, Louisiana
3. Madison Parish, Louisiana
4. Concordia Parish, Louisiana
5. St. Landry Parish, Louisiana
6. Franklin Parish, Louisiana
7. Washington Parish, Louisiana
8. Morehouse Parish, Louisiana
9. Natchitoches Parish, Louisiana
10. Claiborne Parish, Louisiana